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American agriculture and agricultural trade are playing a larger role than ever before in this country's economic life. The nonfarm public is more aware of agriculture than it has ever been. But too often this awareness stems from the wrong cause -- a negative impact from such things as rising food prices and food-shortage scares in past years, cost figures on the new farm program bandied about, and publicity about milk and other marketing orders -- things that farmers understand but the general public does not.

The public is aware that farm exports are good for agriculture and good for the nation, but few know why. The positive side needs to be told and retold by everyone of us who is interested in the American farmer.

Agriculture is a bulwark of the U.S. economy. Our 2.8 million farms constitute one-fifth of all the private business in this nation. Farmers this year will spend about \$85 billion on production expenses and another \$40 billion, earned on and off the farm, on family living. They operate more than 4 billion tractors and about 3 million trucks. They maintain assets of around \$600 billion and pay interest on more than \$90 billion in loans. The production, processing and distribution of food and fiber accounts for one-fifth of the U.S. GNP, and provides jobs for 15 million people -- more than 15 percent of civilian workers.

Exports have become basic to U.S. farm growth and income. Farmers harvested 337 million acres last year -- the most in two decades, and about 100 million of those acres produced for export. That is double the number in the late 1950's and half again the acreage for export late in the 1960's.

Remarks by Secretary of Agriculture Bob Bergland at Agricultural Leaders' Trade Conference, Key Bridge Marriott Hotel, Arlington, VA, Wednesday, September 28, 1977

Exports this year will total about 100 million tons -- double the volume of the middle 1960's. U.S. farmers have been exporting one-half or more of their wheat, soybeans and cattle hides; one-third of their cotton and tobacco; a fourth of their feed grains, and sizeable shares of many other commodities.

Farm export value this fiscal year is expected to be a record \$24 billion. This is the fourth consecutive year of foreign shipments above \$21 billion. It is triple the value of those exports just five years ago. Exports alone now bring in about one-fifth of farm income and generate more than one million jobs, on and off the farm.

Agriculture has contributed a surplus to the U.S. trade account every year since 1960. This has become of paramount importance since our petroleum import bill shot up after the oil embargo of 1973. It takes foreign exchange to pay for those imports, and agricultural exports have earned more than \$20 billion in foreign exchange every year since the embargo. Agriculture's trade surplus -- its positive contribution to the balance of payments -- has been near or over \$12 billion in each of those post-embargo years. (This year it will dip to around \$10 billion, largely because of higher-priced coffee and cocoa imports.)

As U.S. agriculture has become more dependent on foreign markets, foreign countries have become more dependent on U.S. agriculture. In recent years, U.S. farmers have supplied about 16 percent of the value of agricultural commodities that move in world trade, compared with 12 percent in 1971. They

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supply about half the world grain exports, a third of the cotton, most of the soybeans and a fifth or more of the vegetable oils. U.S. food grains are important in sustaining life in developing countries, and U.S. feed grains support livestock production in developed nations as consumers strive to improve their diets.

There is no magic to the rapid rise in U.S. farm exports over the past five years. You are familiar with the story. Rising populations and rising incomes worldwide created demand for more food. Crop shortfalls in major regions dropped production below that demand. Here at home, more competitive pricing policies for U.S. farm products starting in the mid-1960's pointed agriculture toward the foreign market. When the big export opportunity came, U.S. farmers seized it, putting all their resources to work filling the gap between global supply and demand.

The grain situation has changed. Shortfalls gave way to record world grain production last year and what we estimate to be production not far short of that record this year. World grain stocks have increased by 45 percent the past two years, with almost 60 percent of the increase in the United States.

The trade situation has changed. Protectionism is rising. Oil-poor importers cut back on food imports to try to save foreign exchange. Food exporters distort trade to unload surpluses.

A sustained, active effort is required to keep farm exports moving, and the Administration has started such an effort. The domestic farm program is oriented to world markets, we have new flexibility in the use of P,L, 480,

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we are examining new uses for CCC credit, and are reorienting the total market development program toward countries and regions of greatest potential. At the same time, and most important, we have moved the Multi-lateral Trade Negotiations off dead center. You can't sell a product if you can't get it into a market on a competitive basis.

Freer agricultural trade is in the self-interest of American agriculture, for reasons I have described. But it is also in the self-interest of everyone, everywhere. The reason is that while the grain and trade situations have changed in two years, these things have not:

(1) National economies are in reality a single, global economy in which food is crucial to economic and political stability, as well as basic to human survival.

(2) No nation today can meet the expectations of its people on its own -- we are all interdependent on this planet.

(3) Short of conquest, trade is the only avenue by which these expectations can be fulfilled.

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